



naamsa
THE VOICE OF THE AUTOMOTIVE INDUSTRY



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PRESS RELEASE

FOR IMMEDIATE RELEASE | Monday, February 01, 2021

“Gradual monthly recovery in new vehicle volumes continues”

naamsa releases January 2021 new vehicle stats

PRETORIA: Monday, February 01, 2021: NOTE TO THE MEDIA

Reflecting on the new vehicle sales statistics for the month of January 2021, **naamsa** said that the gradual monthly recovery in the domestic new vehicle sales volumes continued during the month but that the decline, compared with the pre-COVID-19 first month of 2020, was in line with industry expectations. Aggregate domestic sales at 34 784 units reflected a decline of 5 629 units, or 13,9%, from the 40 413 vehicles sold in January last year. Export sales recorded a second consecutive month of solid growth in January 2021 and at 22 771 units reflected an increase of 6 468 units, or 39,7%, compared to the 16 303 vehicles exported in January 2020.

Overall, out of the total reported industry sales of 34 784 vehicles, an estimated 28 716 units, or 82,6%, represented dealer sales, an estimated 11,4% represented sales to the vehicle rental industry, 3,5% sales to government, and 2,5% to industry corporate fleets.

The January 2021 new passenger car market at 23 853 units had registered a decline of 5 220 cars, or a fall of 18,0%, compared to the 29 073 new cars sold in January last year. The car rental industry accounted for a sound 16,1% of car sales in January 2021.

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NATIONAL OFFICE BEARERS: President | Andrew KIRBY | Chief Executive Officer | Toyota South Africa Motors
Vice-President: Original Equipment Manufacturers | Neale HILL | Managing Director | Ford Motor Company
Vice-President: Independent Vehicle Importers and Distributors | Gary SCOTT | Chief Executive Officer | Kia Motors
Vice-President: Heavy Commercial Vehicles | Fabio SOUZA | Managing Director | Scania South Africa

EXECUTIVE DIRECTOR: Chief Executive Officer: Mikel MABASA |

REGISTRATION DETAILS: **naamsa** NPC: 2021/358607/08 | PBO No.: 930/023/609 | VAT No.: 4070109972



Domestic sales of new light commercial vehicles, bakkies and mini-buses at 9 301 units during January 2021 had recorded a modest decline of 479 units, or a fall of 4,9%, from the 9 780 light commercial vehicles sold during the corresponding month last year.

Sales for medium and heavy truck segments of the industry reflected a positive performance and at 497 units and 1 133 units, respectively, showed zero change in the case of medium commercial vehicles, and, in the case of heavy trucks and buses an increase of 70 vehicles, or a gain of 6,6%, compared to the corresponding month last year.

The January 2021 the exports sales number at 22 771 units represented a noteworthy increase of 6 468 vehicles or 39,7% compared to the 16 303 vehicles exported in January 2020. The current upward momentum in vehicle exports bodes well for a much-improved performance this year compared to 2020.

For the first quarter of 2021 trading conditions in the new vehicle market are expected to remain challenging due to slow demand compared with the pre-COVID-19 first quarter comparison, exchange rate volatility and the negative impact on household expenditure by fuel and electricity price increases. However, considering the close correlation between new-vehicle sales and the country's GDP growth rate, the Reserve Bank's forecast of a domestic economic growth rate of 3,6% for 2021 presents a favourable scenario for a sound rebound of the new vehicle market in 2021, from the exceptional low base in 2020. It should be noted that the 2020 new vehicle market recorded its lowest aggregate sales total in 18 years. The macroeconomic effects of COVID-19 will, therefore, continue to undermine business and consumer confidence and inhibit growth over the medium term. Although the current low interest rates, coupled with low inflation, could be regarded as building blocks to stimulate the new vehicle market, a full recovery to pre-COVID-19 new vehicle sales levels could take around three years.

Vehicle export numbers have been regaining momentum but in terms of a recovery much will depend on an improvement in the economic climate of the South African automotive industry's main trading partners. Vehicle exports are important to the viability of the domestic automotive industry as exporting remains key to generate sufficient economies of scale and to achieve improved international competitiveness.

OUR STRATEGY:	REIMAGINING THE FUTURE TOGETHER
OUR AMBITION:	"the most credible thought leader and respected partner of a globally competitive and transformed automotive industry that actively contribute to the sustainable development of South Africa".
OUR VALUES:	Partnership Consistency Trust
OUR ASSETS:	#MOBILITYMatters #naamsaAutolytics #naamsaDreamsAcademy SA-AutoWeek



ENDS

ABOUT THE SA AUTOMOBILE INDUSTRY

- the automotive industry contributes 6.4% to GDP [4.0% manufacturing and 2.4% retail];
- total automotive revenue in South Africa amounted to R500 billion in 2019;
- in 2019, the export of vehicles and automotive components reached a record amount of R201.7 billion, equating to 15,5% of South Africa's total exports;
- the industry accounts for 27.6% of the country's manufacturing output;
- vehicles and components are exported to 151 international markets;
- we are the country's 5th largest exporting sector out of all 104 sectors;
- the manufacturing segment of the industry presently employs more than 110,000 people across its various tiers of activity [from component manufacturing to vehicle assembly];
- combined with the industry's strong multiplier effect, the industry is responsible for approximately 457,000 jobs across the South African economy's formal sector.

NOTES FOR EDITORS

- Since 2021 **naamsa** introduced associate membership that offers tangible benefits such as access to information, visibility to key industry issues, business exposure, as well as related discounts. Log onto the **naamsa** website for more information on how to become an associate member;
- **naamsa** is a pre-eminent industry representative that actively and responsibly represents, promote, advance, and protect the interests of local manufacturers and assemblers of passenger, light and heavy commercial vehicles as well as major importers and distributors of new vehicles in South Africa. We represent 41 companies;
- Our vision is to be the most credible and respected thought leader and partner of a globally competitive and transformed automotive industry that actively contribute to the sustainable development of South Africa;
- Enquiries: Mikel M. MABASA, Chief Executive Officer, mikel@naamsa.co.za,
- Contact Numbers: +27 12 807 0152 or +27 82 909 6621;
- More information can be found on www.naamsa.co.za.

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